

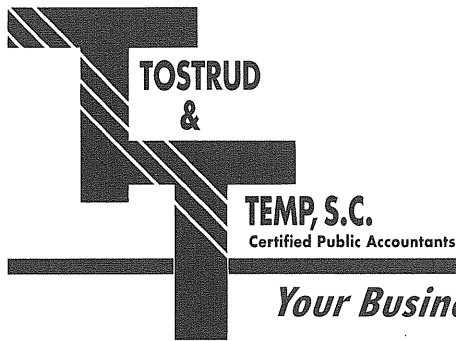
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

EASTERN IOWA REGIONAL
HOUSING AUTHORITY
DUBUQUE, IOWA

June 30, 2010

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609 S. 4th Street, Suite B
La Crosse, WI 54601
Phone: 608-784-8060
Fax: 608-784-8167

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

We have audited the accompanying proprietary funds statement of net assets of the Eastern Iowa Regional Housing Authority, as of June 30, 2010, and the related proprietary funds statements of revenues, expenses and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Eastern Iowa Regional Housing Authority as of June 30, 2010, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have issued our report dated October 20, 2010, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information, including the Schedule of Expenditures of Federal Awards, required by the United States Office of Management and Budget (OMB) Circular A-133, and the Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

Tostrud + Temp, S.C.

October 20, 2010

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2010

This section of the Eastern Iowa Regional Housing Authority, Dubuque, Iowa's annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on June 30, 2010. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL HIGHLIGHTS

- The term "net assets" refers to the difference between assets and liabilities. The Authority's total net assets as of June 30, 2010 were \$6,656,002. The net assets increased by \$181,723, an increase of 2.8% over the prior year.
- The Authority had a net decrease of \$68,271 in the Low Rent Public Housing and Capital Fund Programs, \$226,525 net increase in the Section 8 Housing Choice Voucher Program, \$1,001 net increase in the Rural Rental Housing Loans Program, and a \$22,468 net increase in Component Units (Eastern Iowa Regional Housing Corporation - EIRHC).
- Revenues for the Authority were \$5,157,994 for the year ended June 30, 2010. This was an increase of \$378,744 or 7.9% over the prior year.
- Expenses for the Authority were \$4,976,271 for the year ended June 30, 2010. This was a decrease of \$194,427 or 3.8% from the prior year.
- Rental revenue for the Authority was \$334,411 for the year ended June 30, 2010, a decrease of \$25,620 or 7.1% from the prior year. Intergovernmental revenue for the Authority was \$4,399,238 for the year ended June 30, 2010, an increase of \$213,797 or 5.1% over the prior year. Revenue reported from HUD capital grants for the year ended June 30, 2010 was \$368,751, an increase of \$227,420 or 160.9% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information Required by HUD*. The Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS - CONTINUED

Required Financial Statements

The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Assets includes all the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Assets. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information Required By HUD*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended June 30, 2010 and is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. As stated in the table on the following page, assets exceeded liabilities by \$6,656,002 at the close of the year ended June 30, 2010 up from \$6,474,279 in fiscal year 2009. The increase in net assets of \$181,723 was due to the reasons noted below.

- Current and other assets include cash, investments, receivables, prepaid expenses, and assets held for sale. Of the \$147,282 increase in this category, cash and investments increased \$274,148, receivables decreased \$64,917, prepaid expenses increased \$4,845 and assets held for sale decreased \$66,794.
- Non-current assets increased \$41,678 due to an increase in capital assets. Capital assets increased because current year capital asset additions exceeded current year depreciation expense. Change in capital assets is explained in section titled "Capital Asset and Debt Administration" of this analysis.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2010

FINANCIAL ANALYSIS - CONTINUED

- Current liabilities include accounts payable, tenant security deposits, deferred revenue, and current portion of long-term debt. The increase in this category of \$9,867 was mainly due to an increase in FSS Escrow Liability of \$23,266.
- Non-current liabilities decreased \$2,630 due to principal payments applied to long-term debt.

The unrestricted net assets were \$1,283,622 as of June 30, 2010. This amount may be used to meet the Authority's ongoing obligations. The Authority has sufficient funds to meet requirements for cash outlays, excluding housing assistance payments, for nine months. The restricted assets were \$250,164 as of June 30, 2010. This amount may only be used in the Housing Choice Voucher program for housing assistance payments. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net assets. The same situation held true for the prior fiscal year.

CONDENSED STATEMENTS OF NET ASSETS

		<u>FY 2010</u>	<u>FY 2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$	1,627,209	\$ 1,479,927	\$ 147,282	10.0%
Non-current assets		<u>5,586,745</u>	<u>5,545,067</u>	<u>41,678</u>	<u>0.8%</u>
Total Assets		<u>7,213,954</u>	<u>7,024,994</u>	<u>188,960</u>	<u>2.7%</u>
Current liabilities		273,613	263,746	9,867	3.7%
Non-current liabilities		<u>284,339</u>	<u>286,969</u>	<u>(2,630)</u>	<u>-0.9%</u>
Total Liabilities		<u>557,952</u>	<u>550,715</u>	<u>7,237</u>	<u>1.3%</u>
Net Assets					
Invested in capital assets, net of related debt		5,122,216	5,077,465	44,751	0.9%
Restricted		250,164	14,662	235,502	1606.2%
Unrestricted		<u>1,283,622</u>	<u>1,382,152</u>	<u>(98,530)</u>	<u>-7.1%</u>
Total Net Assets	\$	<u>6,656,002</u>	<u>6,474,279</u>	<u>\$ 181,723</u>	<u>2.8%</u>

The largest portion of the Authority's net assets reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation. The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

The 2009 approved capital grant (501-09) totals \$229,684 and was 100.0% expended as of June 30, 2010. The following is a summary of individual grant line items, budget amount, percent expended as of 6/30/10, and development account:

<u>Line No.</u>	<u>Amount</u>	<u>Percent</u>	<u>Development Account</u>
1406	\$105,605	100.0%	Operations
1460	\$ 23,007	100.0%	Dwelling Structures
1465	\$ 2,271	100.0%	Dwelling Equipment
1470	\$ 56,590	100.0%	Non-Dwelling Structures
1475	\$ 42,211	100.0%	Non-Dwelling Equipment

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2010

FINANCIAL ANALYSIS - CONTINUED

The 2009 approved ARRA capital grant (501-09) totals \$289,892 and was 100.0% expended as of June 30, 2010. The following is a summary of individual grant line items, budget amount, percent expended as of 6/30/10, and development account:

<u>Line No.</u>	<u>Amount</u>	<u>Percent</u>	<u>Development Account</u>
1410	\$ 10,330	100.0%	Administration
1450	\$ 57,314	100.0%	Site Improvements
1460	\$222,248	100.0%	Dwelling Structures

While the Statement of Net Assets shows the change in financial position of net assets, the Statements of Revenues, Expenses, and Changes in Net Assets provides answers as to the nature and source of these changes.

As can be seen in the table on the following page, total revenues increased \$378,744 due to the reasons noted below.

- Rental revenue decreased \$25,620 or 7.1% mainly due to a decrease in the average rent charge per unit under lease of \$12.77 or 7.3%.
- Of the \$213,797 increase in intergovernmental revenue, public housing operating subsidy received from HUD decreased \$38,152, capital fund grants used for operating expenditures increased \$97,641, funding for housing choice voucher assistance increased \$150,507, revenue from resident opportunity supportive services increased \$2,451, and rural rental housing assistance increased \$1,350.
- Other operating revenue decreased \$7,789 or 13.8% from FY 2009 mostly due to a \$6,053 decrease in other revenue from Component Units.
- Interest income decreased \$10,545 or 40.4% mostly due to lower interest rates on deposit accounts.
- HUD capital grants increased \$227,420 from FY 2009. The Agency is allocated capital fund grants each year as determined by HUD and the amount remains relatively consistent from year to year. Revenue from HUD capital grants during the year will depend upon timing of projects as outlined in the HUD approved capital grant budget. The Authority was also awarded a \$289,892 Capital Fund Stimulus Recovery Grant for which it earned \$246,943 during FY 2010.
- Gain (loss) on disposal of fixed assets decreased \$18,519 from FY 2009. In FY 2010 the Authority sold one home for a loss of \$9,952 and disposed of equipment for a gain of \$1,186. In FY 2009 the Authority sold one home for a gain of \$7,789 and disposed of equipment for a gain of \$1,964.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2010

FINANCIAL ANALYSIS – CONTINUED

**CONDENSED STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS**

	<u>FY 2010</u>	<u>FY 2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues				
Program revenues				
Rental income	\$ 334,411	\$ 360,031	\$ (25,620)	-7.1%
Intergovernmental revenue	4,399,238	4,185,441	213,797	5.1%
Other operating revenue	48,779	56,568	(7,789)	-13.8%
General revenues				
Interest income	15,581	26,126	(10,545)	-40.4%
HUD capital grants	368,751	141,331	227,420	160.9%
Gain (loss) on disposal of fixed assets	(8,766)	9,753	(18,519)	-189.9%
Total Revenues	<u>5,157,994</u>	<u>4,779,250</u>	<u>378,744</u>	<u>7.9%</u>
Expenses				
Administrative	1,091,160	1,081,799	9,361	0.9%
Tenant services	2,907	3,587	(680)	-19.0%
Utilities	88,018	98,829	(10,811)	-10.9%
Ordinary maintenance & operations	356,764	351,887	4,877	1.4%
General expense	76,837	56,487	20,350	36.0%
Interest expense	21,892	20,671	1,221	5.9%
Housing assistance payments	2,991,119	3,209,430	(218,311)	-6.8%
Depreciation	346,574	348,008	(1,434)	-0.4%
Casualty losses, non-capitalized	1,000	-	1,000	100.0%
Total Expenses	<u>4,976,271</u>	<u>5,170,698</u>	<u>(194,427)</u>	<u>-3.8%</u>
Change in net assets	181,723	(391,448)	573,171	
Beginning net assets	<u>6,474,279</u>	<u>6,865,727</u>	<u>(391,448)</u>	
Ending net assets	<u>\$ 6,656,002</u>	<u>\$ 6,474,279</u>	<u>\$ 181,723</u>	

Total expenses decreased by \$194,427 due to the reasons noted below.

- Administrative expenses increased \$9,361 or 0.9% from FY 2009.
- Tenant services decreased \$680 from FY 2009.
- Of the \$10,811 decrease in utilities, water increased \$41 or 0.2%, electricity decreased \$2,035 or 11.6%, gas decreased \$9,512 or 23.1%, and sewer increased \$695 or 3.0%.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2010

FINANCIAL ANALYSIS – CONTINUED

- Ordinary maintenance & operations increased \$4,877 or 1.4% from FY 2009.
- Of the \$20,350 increase in general expense, general insurance increased \$1,783, other general expenses increased \$263, payments in lieu of taxes decreased \$1,636, and bad debts increased \$19,940.
- Interest expense increased \$1,221 or 5.9% from FY 2009.
- Housing assistance payments decreased \$218,311 or 6.8% due to a 3.3% decrease in the average housing assistance payment and a 3.5% decrease in vouchers issued and outstanding during FY 2010.
- The Authority had a \$1,434 or 0.4% decrease in Depreciation which is the write-off of capital assets over their estimated useful life.
- The Authority had a \$1,000 casualty loss in FY 2010 for fire damage to a dwelling unit.

EIRHA currently owns and manages 164 public housing units. These units are located in Dyersville, Bellevue, Manchester, Colesburg, Miles, Sabula, DeWitt, Holy Cross, Hopkinton, Worthington, Delmar, Preston, Peosta, and Wheatland. Overall, the projects maintain a 98.6% occupancy level. There are 85 units of elderly and 79 units of family. The family housing is scattered site single family homes and duplexes. Currently EIRHA has 4 four-bedroom units, 30 three-bedroom units, 46 two-bedroom units, and 84 one-bedroom units.

EIRHA is authorized to assist 883 households with the Housing Choice Voucher Rental Assistance Program. Of the 883 vouchers, the city of Maquoketa is given priority to their original 156 vouchers under their Annual Contributions Contract that EIRHA assumed. From July 1, 2009 through June 30, 2010, EIRHA served 203 families in the city of Maquoketa. The Section 8 lease up rate for FY 2010 was 97.02%, down from 99.6% in the prior year. EIRHA expended \$2,990,203 or 92.8% of current year housing assistance received from HUD.

EIRHC owns 10 one-bedroom USDA units that are designed for the elderly/handicapped/disabled, located in Grand Mound (6 units) and Worthington (4 units). EIRHC is also the general partner/developer for the 24 tax credit units known as Evergreen Meadows. This project is located in Peosta, Iowa and has 3 four-bedroom units, 11 three-bedroom units and 10 two-bedroom units. In addition, EIRHC is general partner/developer for the 32 tax credit units known as Asbury Meadows. This project is located in Asbury, Iowa and has 6 four-bedroom units, 14 three-bedroom units and 12 two-bedroom units.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2010

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The Eastern Iowa Regional Housing Authority, Dubuque, Iowa's investment in capital assets, net of related debt, as of June 30, 2010 amounts to \$5,122,216 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment and construction in progress.

The total increase in the Authority's investment in capital assets for the current fiscal year was 0.8% in terms of net book value. Actual expenditures to purchase or construct capital assets were \$387,686 for the year. Of this amount \$368,751 was used from HUD capital grants, \$3,741 were used from Low Rent Public Housing residual receipts, and \$15,195 was used from Section 8 administrative fee revenue. In FY 2010 the Authority disposed of equipment with a book value of \$4,315 and received \$5,500 trade-in value for disposed assets. The Authority has various contract commitments with contractors for the implementation of the HUD capital grants as outlined by the HUD approved Capital Grant Budget. Depreciation charges for the year totaled \$346,574. Additional information on the Authority's capital assets can be found in the notes to the financial statements of this report.

	Beginning	Additions	Depreciation	Net Gain on Disposal	Ending
Capital assets	\$5,366,887	\$387,687	\$(346,574)	\$1,185	\$5,409,185

Debt Administration - The USDA project has several mortgages that were used to purchase land and buildings for the Rural Rental Housing Assistance Program. Total mortgage debt as of June 30, 2010 is \$286,969, down from \$289,422 in FY 2009. Additional information on the Authority's long-term debt can be found in the notes to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2011 Public Housing budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on occupied units and approved vacancies, utility consumption and rates, approved add-ons, formula income, and transition funding. The amount of funding is also established and approved by HUD. Formula income is based on rental income from the Authority's rent roll records for the period specified by HUD. Operating expenses are expected to increase by the economy's inflation rate.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (CONTINUED)

The Authority is eligible to receive \$1,084,072 for housing assistance payments for the months of July through October 2010 in the Housing Choice Voucher Program. The Authority also has \$250,164 available in HAP Reserves to be used for housing assistance payments. Based on the average housing assistance payment per unit of \$293.79 for FY 2010, the Authority will have sufficient funding and reserves to lease 100.0% of its authorized vouchers from July through October 2010. HUD has not established funding levels for the remaining eight months of next fiscal year. Administrative fees for the Housing Choice Voucher program will be based on actual utilization in FY 2011 and adjusted for pro-ration which is currently at 92.077%.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2010

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Michelle Schnier
Director of Housing and Support Services
Eastern Iowa Regional Housing Authority
7600 Commerce Park
Dubuque, Iowa 52002.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF NET ASSETS - PROPRIETARY FUND
June 30, 2010

ASSETS

Current assets

Cash and cash equivalents	\$ 1,474,170
Accounts receivable	
Tenants, net of allowance	13,514
HUD	27,156
Other	14,567
Notes receivable - current	620
Deferred charges	19,640
Assets held for sale	77,542
Total current assets	<u>1,627,209</u>

Non-current assets

Capital assets, net of accumulated depreciation	5,409,185
Notes receivable - noncurrent	107,510
Investment in joint ventures	70,050
Total non-current assets	<u>5,586,745</u>

Total assets	\$ <u>7,213,954</u>
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LIABILITIES AND NET ASSETS

Current liabilities

Notes payable - current	\$ 2,630
Accounts payable	
Vendors	121,699
Security deposits	42,237
Accrued liabilities	
Payments in lieu of taxes	22,669
Interest payable	15
Deferred credits	7,237
Other current liabilities	77,126
Total current liabilities	<u>273,613</u>

Non-current liabilities

Notes payable, net of current portion	284,339
Total non-current liabilities	<u>284,339</u>
Total liabilities	<u>557,952</u>

Net assets

Invested in capital assets - net of related debt	5,122,216
Restricted	250,164
Unrestricted	1,283,622
Total net assets	<u>6,656,002</u>

Total liabilities and net assets	\$ <u>7,213,954</u>
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The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND
Year ended June 30, 2010

Operating revenue	
Rental income	\$ 334,411
Intergovernmental revenue	4,399,238
Other operating revenue	<u>48,779</u>
Total operating revenue	4,782,428
Operating expense	
Administration	1,091,160
Tenant services	2,907
Utilities	88,018
Ordinary maintenance and operations	356,764
General expense	76,837
Housing assistance payments	2,991,119
Non-routine expense	1,000
Depreciation	<u>346,574</u>
Total operating expense	<u>4,954,379</u>
Operating income (loss)	(171,951)
Non-operating revenue (expense)	
Interest income	15,581
Interest expense	(21,892)
HUD capital grants	368,751
Gain (loss) on disposal/sale of fixed assets	<u>(8,766)</u>
Total non-operating revenue (expense)	<u>353,674</u>
Change in net assets	181,723
Net assets at beginning of year	<u>6,474,279</u>
Net assets at end of year	\$ <u><u>6,656,002</u></u>

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year ended June 30, 2010

Increase (Decrease) in Cash and Cash Equivalents

Cash flows from operating activities	
Cash received from tenants	\$ 331,984
Cash payments to suppliers and landlords	(3,480,628)
Cash payments to employees	(1,069,965)
Grants received from governmental units	4,395,519
Other income received	<u>62,348</u>
Net cash provided by (used in) operating activities	239,258
Cash flows from capital and related financing activities	
Capital expenditures	(386,058)
Proceeds from sale of property	120,132
Net cost of assets held for sale	(64,298)
HUD capital grants received	368,751
Principal payments on notes payable	(2,453)
Interest paid	<u>(21,893)</u>
Net cash provided by (used in) capital and related financing activities	14,181
Cash flows from investing activities	
Interest income received	20,708
Net investment transactions	<u>620,224</u>
Net cash provided by (used in) investing activities	<u>640,932</u>
Net increase (decrease) in cash and cash equivalents	894,371
Cash and cash equivalents at beginning of year	<u>579,799</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,474,170</u></u>

**Reconciliation of Operating Income (Loss)
to Net Cash From Operating Activities**

Operating income (loss)	\$ (171,951)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	346,574
(Increase) decrease in accounts receivable	59,789
(Increase) decrease in deferred charges	(4,845)
Increase (decrease) in accounts payable	(7,495)
Increase (decrease) in accrued liabilities	(1,636)
Increase (decrease) in deferred credits	(4,444)
Increase (decrease) in other liabilities	23,266
Total adjustments	<u>411,209</u>
Net cash from operating activities	<u><u>\$ 239,258</u></u>

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The Eastern Iowa Regional Housing Authority (EIRHA) is organized pursuant to the provisions of Chapter 403A and Chapter 28E of the Code of Iowa for the purposes of owning and providing affordable rental units and rent subsidies to low and moderate income individuals in Dubuque, Delaware, Jackson, Cedar, Clinton and Jones counties excluding the cities of Dubuque and Clinton. The Eastern Iowa Regional Housing Authority board consists of elected directors and housing commissioners from those counties.

As required by generally accepted accounting principles, these financial statements present the Eastern Iowa Regional Housing Authority and its component unit, the Eastern Iowa Regional Housing Corporation (EIRHC). Although it is legally separate from EIRHA, EIRHC is reported as if it were part of the primary government because of the significance of its operational or financial relationship with Eastern Iowa Regional Housing Authority, including having the same board of directors.

EIRHC is a non-profit corporation which owns and operates ten one-bedroom USDA units. EIRHC is also the management agent and general partner/ developer for two low-income housing tax credit projects: Evergreen Meadows and Asbury Meadows. EIRHC has entered into agreements with the Eastern Iowa Regional Housing Authority (EIRHA) and the East Central Intergovernmental Association (ECIA) for staffing services.

2. Basis of Presentation

The accounts of the Authority are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The Authority has the following proprietary fund:

Enterprise Fund - Enterprise funds are used to account for operations, (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the government body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus and Basis of Accounting

Measurement Focus - Enterprise funds are accounted for on an economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenue) and decreases (expenses) in total net assets.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Enterprise funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The Authority has elected pursuant to GASB Statement 20 to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

A proprietary fund distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Housing Authority is rents collected from tenants and operating grants. Operating expenses for a proprietary fund include the cost of operating properties owned, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

4. Cash Equivalents

For purposes of the statements of cash flows, the Authority considers cash equivalents to include certificates of deposit having an original maturity of three months or less.

5. Investments

The Authority's investments are in time deposits (certificates of deposit) that are stated at fair value, which approximates cost.

6. Accounts Receivable

Accounts receivable-tenants have been shown at net of allowance for doubtful accounts of \$20,209 and accounts receivable-other has been shown at net of allowance for doubtful accounts of \$1,144.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Property and Equipment

Property and equipment is stated at cost. The cost of maintenance and repairs that do not add value to assets or materially extend asset lives is not capitalized. The capitalization policy of the Authority is to capitalize fixed assets costing more than \$500 and expected to last more than one year. Depreciation of all exhaustible property and equipment is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings	40-50 years
Building and land improvements	5-20 years
Equipment	3-10 years

8. Budgetary Process

The Eastern Iowa Regional Housing Authority prepares an annual operating budget with formal board approval prior to the start of its fiscal year. The United States Department of Housing and Urban Development (HUD) requests the Authority keep the budget on file and to submit to HUD the calculation for operating subsidy. The Authority must prepare a revised operating budget only when total expenditures exceed the amount originally budgeted. The revised budget, if needed, is also kept on file at the Authority's office.

9. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

10. Concentration of Revenues

The Authority received approximately 92% of its total operating revenues from the federal government. This revenue is subject to federal government budget appropriations and potential funding reductions.

11. Subsequent Events

The Authority has evaluated subsequent events through October 20, 2010, the date which the financial statements were available to be issued.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010

NOTE B - CASH AND INVESTMENTS

Cash and investments as of June 30, 2010, are classified in the accompanying financial statements as follows:

Statement of net assets	
Cash and cash equivalents	\$ <u>1,474,170</u>
	\$ <u><u>1,474,170</u></u>

Cash and investments as of June 30, 2010 consist of the following:

	Carrying Amount	Bank Balance
Business interest, savings and money market accounts	\$ <u>1,474,170</u>	\$ <u>1,488,121</u>
	\$ <u><u>1,474,170</u></u>	\$ <u><u>1,488,121</u></u>

Investments Authorized by the Authority's Investment Policy

The Authority is required to invest its funds in accordance with Iowa Statutes. The Authority may consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income is allocated to various funds based on their respective participation in accordance with generally accepted accounting principles. Safety of principal is the foremost objective of the Authority's investment policy.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Authority limits its exposure to interest rate risk by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio. The Authority also structures its investment portfolio so that securities mature to meet cash requirements, avoiding the need to sell securities in the open market prior to maturity.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010

NOTE B - CASH DEPOSITS - CONTINUED

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority minimizes its credit risk by limiting investment types and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Authority will do business.

Concentration of Credit Risk

SFAS 105 defines a concentration of credit risk as an exposure to a number of counterparties engaged in similar activities and having similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Authority diversifies its investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The Authority's deposits at June 30, 2010 were entirely covered by FDIC insurance, collateralized with securities or letters of credit held by the Authority or the Authority's agent in the Authority's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Iowa Code. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Authority does not have an investment policy that would limit the exposure to custodial risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010

NOTE C - PROPERTY AND EQUIPMENT

A summary of changes in property and equipment for each program follows:

<u>Public Housing/CFP</u>	<u>Balance July 1, 2009</u>	<u>Additions & Adjustments</u>	<u>Deletions & Adjustments</u>	<u>Balance June 30, 2010</u>
<i>Capital assets not being depreciated</i>				
Land	\$ 823,786	\$ -	\$ -	\$ 823,786
Construction in progress	41,674	-	41,674	-
<i>Capital assets being depreciated</i>				
Land improvement	16,717	57,315	-	74,032
Buildings	8,949,861	315,918	-	9,265,779
Equipment	282,730	93,198	65,747	310,181
	<u>9,249,308</u>	<u>466,431</u>	<u>65,747</u>	<u>9,649,992</u>
	10,114,768	466,431	107,421	10,473,778
Less accumulated depreciation	<u>5,018,280</u>	<u>331,094</u>	<u>14,435</u>	<u>5,334,939</u>
Subtotal	<u>5,096,488</u>	<u>135,337</u>	<u>92,986</u>	<u>5,138,839</u>
Section 8 Housing Choice Vouchers				
<i>Capital assets being depreciated</i>				
Equipment	45,083	17,194	17,673	44,604
Less accumulated depreciation	<u>31,682</u>	<u>6,236</u>	<u>15,906</u>	<u>22,012</u>
Subtotal	<u>13,401</u>	<u>10,958</u>	<u>1,767</u>	<u>22,592</u>
EIRHC - USDA Housing				
<i>Capital assets not being depreciated</i>				
Land	19,664	-	-	19,664
<i>Capital assets being depreciated</i>				
Buildings	313,461	-	-	313,461
Building improvements	11,100	-	-	11,100
Furniture and equipment	<u>15,664</u>	<u>-</u>	<u>-</u>	<u>15,664</u>
	359,889	-	-	359,889
Less accumulated depreciation	<u>110,643</u>	<u>6,922</u>	<u>-</u>	<u>117,565</u>
Subtotal	<u>249,246</u>	<u>(6,922)</u>	<u>-</u>	<u>242,324</u>
EIRHC - Tax Credit Programs				
<i>Capital assets being depreciated</i>				
Furniture and equipment	<u>8,796</u>	<u>-</u>	<u>-</u>	<u>8,796</u>
Less accumulated depreciation	<u>1,044</u>	<u>2,322</u>	<u>-</u>	<u>3,366</u>
Subtotal	<u>7,752</u>	<u>(2,322)</u>	<u>-</u>	<u>5,430</u>
Total	<u>\$ 5,366,887</u>	<u>\$ 137,051</u>	<u>\$ 94,753</u>	<u>\$ 5,409,185</u>

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010

NOTE D - NOTES PAYABLE

Details of the Housing Authority's notes payable are set forth below:

	Balance at July 1, 2009	Additions	Reductions	Balance at June 30, 2010
Notes payable	\$ <u>289,422</u>	\$ <u>-</u>	\$ <u>2,453</u>	\$ <u>286,969</u>

Notes payable for EIRHC are payable to United States Department of Agriculture, Rural Housing Services (USDA-RHS). The following mortgage notes payable to USDA-RHS at June 30, 2010 are as follows:

6.5% first mortgage note payable	\$ 110,847
7.25% first mortgage note payable	<u>176,122</u>
	286,969
Less current maturities	<u>2,630</u>

LONG-TERM OBLIGATIONS	\$ <u>284,339</u>
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United States Department of Agriculture, Rural Housing Services (USDA-RHS) is subsidizing the interest payable on the first mortgage notes, thereby effectively reducing the interest rate to 1%. The USDA-RHS notes are secured by real property and rents and profits of the Authority's USDA Housing Program.

Principal and interest maturities on notes payable are as follows:

Year ended June 30,	<u>EIRHC-Rural Development</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 2,630	\$ 19,890
2012	2,819	19,701
2013	3,022	19,498
2014	3,241	19,279
2015	3,474	19,046
2016-2020	21,514	91,088
2021-2025	30,488	82,114
2026-2030	43,219	69,383
2031-2035	61,286	51,316
2036-2040	86,930	25,672
2041-2044	<u>28,346</u>	<u>3,355</u>
	\$ <u>286,969</u>	\$ <u>420,342</u>

NOTE E - RELATED PARTY

The Eastern Iowa Regional Housing Authority, related to the East Central Intergovernmental Association through common management, is provided management services and office space. During the year ended June 30, 2010, the Eastern Iowa Regional Housing Authority paid East Central Intergovernmental Association \$1,220,777 for such services.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010

NOTE F - DUE FROM/TO OTHER PROGRAMS

For the Statement of Net Assets, the following individual program interfund receivable and payable balances at June 30, 2010, which are within business-type activities, are netted and eliminated.

<u>Program</u>	<u>Due From</u>	<u>Due To</u>
Low Rent Public Housing	\$186,647	\$ -
Business Activities	-	186,647
Totals	<u>\$186,647</u>	<u>\$186,647</u>

NOTE G - INVESTMENT IN JOINT VENTURE

In September, 2003, Eastern Iowa Regional Housing Corporation (EIRHC) purchased .01% interest in a tax credit housing project, Eastern Iowa Regional Partnership, LLLP (Evergreen Meadows) for \$69,950. In October 2004, EIRHC purchased .01% interest in Asbury EIRP, LLLP (Asbury Meadows) for \$100. EIRHC is the general partner for both projects with a total investment of \$70,050.

NOTE H - CONTINGENT LIABILITY

Eastern Iowa Regional Housing Corporation (EIRHC) includes Eastern Iowa Development Corporation (EIDC) a wholly-owned subsidiary of EIRHC. EIDC is a general partner in two limited partnerships which it manages and therefore receives a management fee. The partnerships that EIDC is a general partner in are as follows:

<u>Name</u>	<u>Ownership Percent</u>	<u>Outstanding Liabilities at 6-30-10</u>
Eastern Iowa Regional Partnership, L.L.L.P., Peosta, Iowa	.01%	\$ 1,383,493
Asbury E.I.R.P., L.L.L.P., Asbury, Iowa	.01%	\$ 1,876,109

NOTE I - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past four years.

NOTE J - OTHER POST-EMPLOYMENT BENEFITS

The Authority offers no material post-employment benefits to employees upon separation from service. Employees receive no payments at or after separation from service other than accrued vacation pay which is already accrued in this report. The only post-employment benefit an employee may receive is COBRA continuation of their health insurance, for which the separated employee must pay 100% of their premium.

SUPPLEMENTAL DATA

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF NET ASSETS BY PROGRAM
June 30, 2010

	Low Rent Public Housing	Public Housing Capital Fund	Section 8 Housing Choice Vouchers	Resident Opportunity & Supportive Services	Business Activities	USDA Housing Programs	EIRHC Tax Credit Programs	Subtotal	Eliminations	Total
ASSETS										
Current assets										
Cash and cash equivalents	\$ 440,802	\$ -	\$ 619,450	\$ -	\$ -	\$ 53,202	\$ 360,716	\$ 413,918	\$ -	\$ 1,474,170
Accounts receivable										
Tenants, net of allowance	13,514	-	-	-	-	-	-	-	-	13,514
HUD	-	-	19,231	7,925	-	-	-	-	-	27,156
Other	-	-	10,294	-	975	-	3,298	3,298	-	14,567
Notes receivable - current	-	-	-	-	620	-	-	-	-	620
Deferred charges	14,751	-	4,889	-	-	-	-	-	-	19,640
Due from other programs	186,647	-	-	-	-	-	-	-	(186,647)	-
Assets held for sale	-	-	-	-	77,542	-	-	-	-	77,542
Total current assets	655,714	-	653,864	7,925	79,137	53,202	364,014	417,216	(186,647)	1,627,209
Non-current assets										
Capital assets, net of accumulated depreciation	5,138,839	-	22,592	-	-	242,324	5,430	247,754	-	5,409,185
Notes receivable - noncurrent	-	-	-	-	107,510	-	-	-	-	107,510
Investment in joint ventures	-	-	-	-	-	-	70,050	70,050	-	70,050
Total non-current assets	5,138,839	-	22,592	-	107,510	242,324	75,480	317,804	-	5,586,745
Total assets	<u>\$ 5,794,553</u>	<u>\$ -</u>	<u>\$ 676,456</u>	<u>\$ 7,925</u>	<u>\$ 186,647</u>	<u>\$ 295,526</u>	<u>\$ 439,494</u>	<u>\$ 735,020</u>	<u>\$ (186,647)</u>	<u>\$ 7,213,954</u>
LIABILITIES AND NET ASSETS										
Current liabilities										
Notes payable - current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,630	\$ -	\$ 2,630	\$ -	\$ 2,630
Accounts payable										
Vendors	64,546	-	48,729	7,925	-	399	100	499	-	121,699
Security deposits	39,800	-	-	-	-	2,437	-	2,437	-	42,237
Accrued liabilities										
Payments in lieu of taxes	22,669	-	-	-	-	-	-	-	-	22,669
Interest payable	-	-	-	-	-	15	-	15	-	15
Deferred credits	6,343	-	-	-	-	894	-	894	-	7,237
Other current liabilities	29,550	-	47,576	-	-	-	-	-	-	77,126
Due to other programs	-	-	-	-	186,647	-	-	-	(186,647)	-
Total current liabilities	162,908	-	96,305	7,925	186,647	6,375	100	6,475	(186,647)	273,613
Non-current liabilities										
Notes payable, net of current portion	-	-	-	-	-	284,339	-	284,339	-	284,339
Total non-current liabilities	-	-	-	-	-	284,339	-	284,339	-	284,339
Total liabilities	162,908	-	96,305	7,925	186,647	290,714	100	290,814	(186,647)	557,952
Net assets										
Invested in capital assets - net of related debt	5,138,839	-	22,592	-	-	(44,645)	5,430	(39,215)	-	5,122,216
Restricted	-	-	250,164	-	-	-	-	-	-	250,164
Unrestricted	492,806	-	307,395	-	-	49,457	433,964	483,421	-	1,283,622
Total net assets	5,631,645	-	580,151	-	-	4,812	439,394	444,206	-	6,656,002
Total liabilities and net assets	<u>\$ 5,794,553</u>	<u>\$ -</u>	<u>\$ 676,456</u>	<u>\$ 7,925</u>	<u>\$ 186,647</u>	<u>\$ 295,526</u>	<u>\$ 439,494</u>	<u>\$ 735,020</u>	<u>\$ (186,647)</u>	<u>\$ 7,213,954</u>

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
Year ended June 30, 2010

	Low Rent Public Housing	Public Housing Capital Fund	Formula Capital Fund Stimulus Grant	Section 8 Housing Choice Vouchers	Resident Opportunity & Supportive Services	Business Activities	USDA Housing Programs	EIRHC Tax Credit Programs	Subtotal	Total
Operating revenue										
Rental income	\$ 308,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,498	\$ -	\$ 25,498	\$ 334,411
Intergovernmental revenue	317,823	107,876	-	3,807,999	134,243	11,000	20,297	-	20,297	4,399,238
Other operating revenue	10,636	-	-	15,177	-	-	816	22,150	22,966	48,779
Total operating revenue	637,372	107,876	-	3,823,176	134,243	11,000	46,611	22,150	68,761	4,782,428
Operating expense										
Administration	353,951	-	-	599,702	134,243	-	2,290	974	3,264	1,091,160
Tenant services	2,907	-	-	-	-	-	-	-	-	2,907
Utilities	82,221	-	-	-	-	-	5,797	-	5,797	88,018
Ordinary maintenance and operations	349,176	-	-	144	-	-	7,444	-	7,444	356,764
General expense	70,100	-	-	5,343	-	-	1,394	-	1,394	76,837
Housing assistance payments	-	-	-	2,991,119	-	-	-	-	-	2,991,119
Non-routine expense	1,000	-	-	-	-	-	-	-	-	1,000
Depreciation	321,577	9,517	-	6,236	-	-	6,922	2,322	9,244	346,574
Total operating expense	1,180,932	9,517	-	3,602,544	134,243	-	23,847	3,296	27,143	4,954,379
Operating income (loss)	(543,560)	98,359	-	220,632	-	11,000	22,764	18,854	41,618	(171,951)
Non-operating revenue (expense)										
Interest income	5,598	-	-	5,660	-	580	129	3,614	3,743	15,581
Interest expense	-	-	-	-	-	-	(21,892)	-	(21,892)	(21,892)
HUD capital grants	-	121,808	246,943	-	-	-	-	-	-	368,751
Gain (loss) on disposal/sale of fixed assets	953	-	-	233	-	(9,952)	-	-	-	(8,766)
Total non-operating revenue (expense)	6,551	121,808	246,943	5,893	-	(9,372)	(21,763)	3,614	(18,149)	353,674
Change in net assets before transfers	(537,009)	220,167	246,943	226,525	-	1,628	1,001	22,468	23,469	181,723
Operating transfer	109,504	(107,876)	-	-	-	(1,628)	-	-	-	-
Equity transfer	359,234	(112,291)	(246,943)	-	-	-	-	-	-	-
Change in net assets	(68,271)	-	-	226,525	-	-	1,001	22,468	23,469	181,723
Net assets at beginning of year	5,699,916	-	-	353,626	-	-	3,811	416,926	420,737	6,474,279
Net assets at end of year	\$ 5,631,645	\$ -	\$ -	\$ 580,151	\$ -	\$ -	\$ 4,812	\$ 439,394	\$ 444,206	\$ 6,656,002

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF CASH FLOWS BY PROGRAM
Year ended June 30, 2010

	Low Rent Public Housing	Public Housing Capital Fund	Formula Capital Fund Stimulus Grant	Section 8 Housing Choice Vouchers	Resident Opportunity & Supportive Services	Business Activities	USDA Housing Programs	EIRHC Tax Credit Programs	Subtotal	Total
Increase (Decrease) in Cash and Cash Equivalents										
Cash flows from operating activities										
Cash received from tenants	\$ 306,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,498	\$ -	\$ 25,498	\$ 331,984
Cash payments to suppliers and landlords	(349,643)	-	-	(3,113,313)	-	(975)	(15,723)	(974)	(16,697)	(3,480,628)
Cash payments to employees	(462,411)	-	-	(472,303)	(134,243)	-	(1,008)	-	(1,008)	(1,069,965)
Grants received from governmental units	317,823	107,876	-	3,804,280	134,243	11,000	20,297	-	20,297	4,395,519
Other income received	4,057	-	-	24,128	-	-	816	33,347	34,163	62,348
Net cash provided by (used in) operating activities	(183,688)	107,876	-	242,792	-	10,025	29,880	32,373	62,253	239,258
Cash flows from non-capital financing activities										
Operating transfers	107,876	(107,876)	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities										
Due to/due from other programs	66,439	-	-	-	-	(66,439)	-	-	-	-
Capital expenditures	(2,113)	(121,808)	(246,943)	(15,194)	-	-	-	-	-	(386,058)
Proceeds from sale of property	-	-	-	-	-	120,132	-	-	-	120,132
Net cost of assets held for sale	-	-	-	-	-	(64,298)	-	-	-	(64,298)
HUD capital grants received	-	121,808	246,943	-	-	-	-	-	-	368,751
Principal payments on notes payable	-	-	-	-	-	-	(2,453)	-	(2,453)	(2,453)
Interest paid	-	-	-	-	-	-	(21,893)	-	(21,893)	(21,893)
Net cash provided by (used in) capital and related financing activities	64,326	-	-	(15,194)	-	(10,605)	(24,346)	-	(24,346)	14,181
Cash flows from investing activities										
Interest income received	7,055	-	-	9,330	-	580	129	3,614	3,743	20,708
Net investment transactions	338,662	-	-	281,562	-	-	-	-	-	620,224
Net cash provided by (used in) investing activities	345,717	-	-	290,892	-	580	129	3,614	3,743	640,932
Net increase (decrease) in cash and cash equivalents	334,231	-	-	518,490	-	-	5,663	35,987	41,650	894,371
Cash and cash equivalents at beginning of year	106,571	-	-	100,960	-	-	47,539	324,729	372,268	579,799
Cash and cash equivalents at end of year	<u>\$ 440,802</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 619,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,202</u>	<u>\$ 360,716</u>	<u>\$ 413,918</u>	<u>\$ 1,474,170</u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities										
Operating income (loss)	\$ (543,560)	\$ 98,359	\$ -	\$ 220,632	\$ -	\$ 11,000	\$ 22,764	\$ 18,854	\$ 41,618	\$ (171,951)
Adjustments to reconcile operating loss to net cash from operating activities:										
Depreciation	321,577	9,517	-	6,236	-	-	6,922	2,322	9,244	346,574
(Increase) decrease in accounts receivable	44,679	-	-	5,232	(344)	(975)	-	11,197	11,197	59,789
(Increase) decrease in deferred charges	(228)	-	-	(4,617)	-	-	-	-	-	(4,845)
Increase (decrease) in accounts payable	(14,127)	-	-	6,715	344	-	(427)	-	(427)	(7,495)
Increase (decrease) in accrued liabilities	(1,636)	-	-	-	-	-	-	-	-	(1,636)
Increase (decrease) in deferred credits	(5,065)	-	-	-	-	-	621	-	621	(4,444)
Increase (decrease) in other liabilities	14,672	-	-	8,594	-	-	-	-	-	23,266
Total adjustments	359,872	9,517	-	22,160	-	(975)	7,116	13,519	20,635	411,209
Net cash from operating activities	<u>\$ (183,688)</u>	<u>\$ 107,876</u>	<u>\$ -</u>	<u>\$ 242,792</u>	<u>\$ -</u>	<u>\$ 10,025</u>	<u>\$ 29,880</u>	<u>\$ 32,373</u>	<u>\$ 62,253</u>	<u>\$ 239,258</u>

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2010

<u>Federal Grantor</u>	<u>Federal C.F.D.A. Number</u>	<u>Accrual Basis Amount</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Low-Rent Public Housing		
Operating subsidy	14.850a	\$ 317,823
Capital Fund Program	14.872	229,684
Formula Capital Fund Stimulus Grant	14.885	246,943
Housing Assistance Payment Program		
Housing Choice Vouchers	*14.871	3,807,999
Resident Opportunity and Supportive Services	14.870	134,243
Home Investments Partnership Program	14.239	11,000
U.S. DEPARTMENT OF AGRICULTURE		
Rural Rental Housing Loans	10.415	<u>20,297</u>
TOTAL FEDERAL AWARDS		\$ <u>4,767,989</u>

* Denotes major program

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
**STATEMENT AND CERTIFICATION OF
CAPITAL FUND PROGRAM COSTS**
Year ended June 30, 2010

1. The Actual Capital Fund Program costs are as follows:

	ARRA Project IA05S126 501-09	Project IA05P126 501-09
Funds approved	\$ 289,892	\$ 229,684
Funds expended	<u>289,892</u>	<u>229,684</u>
Excess	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Funds advanced		
Capital fund grant	\$ 289,892	\$ 229,684
Funds expended	<u>289,892</u>	<u>229,684</u>
Excess	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

2. The Actual Modernization Cost Certificates (HUD-53001) dated May 2010 as submitted to HUD for approval are in agreement with the PHA's records.
3. All capital fund program costs have been paid and all related liabilities have been discharged through payment.

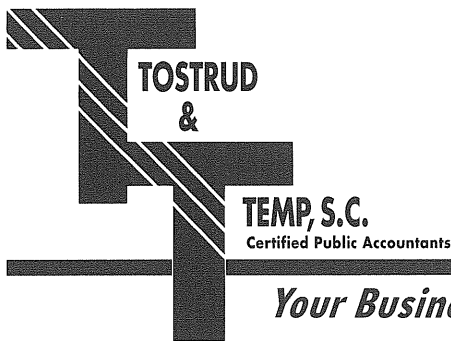
Eastern Iowa Regional Housing Authority
Dubuque, Iowa
FINANCIAL DATA SCHEDULE
June 30, 2010

Line Item Number	Account Description	Low-Rent Public Housing 14.850	Public Housing Capital Fund Program 14.872	Formula Capital Fund Stimulus Grant 14.885	Section 8 Housing Choice Vouchers 14.871	Resident Opportunity & Supportive Services 14.870	Business Activities	HOME Investment Partnerships Program	Rural Rental Housing Loans 10.415	Component Unit	Elim- inations	Total
111	Cash - unrestricted	371,452	-	-	321,710	-	-	-	18,380	360,716	-	1,072,258
113	Cash - other restricted	29,550	-	-	297,740	-	-	-	32,385	-	-	359,675
114	Cash - tenant security deposits	39,800	-	-	-	-	-	-	2,437	-	-	42,237
100	Total cash	440,802	-	-	619,450	-	-	-	53,202	360,716	-	1,474,170
122	Accounts receivable - HUD	-	-	-	19,231	7,925	-	-	-	-	-	27,156
125	Accounts receivable - miscellaneous	-	-	-	-	-	975	-	-	3,298	-	4,273
126	Accounts receivable-tenants-dwelling rents	33,723	-	-	-	-	-	-	-	-	-	33,723
126.1	Allowance for doubtful accounts - tenants	(20,209)	-	-	-	-	-	-	-	-	-	(20,209)
127	Notes receivable - current	-	-	-	-	-	620	-	-	-	-	620
128	Fraud recovery	-	-	-	11,438	-	-	-	-	-	-	11,438
128.1	Allowance for doubtful accounts - fraud	-	-	-	(1,144)	-	-	-	-	-	-	(1,144)
120	Total receivables, net of allowances for doubtful accounts	13,514	-	-	29,525	7,925	1,595	-	-	3,298	-	55,857
142	Prepaid expenses	14,751	-	-	4,889	-	-	-	-	-	-	19,640
144	Interprogram due from	186,647	-	-	-	-	-	-	-	-	(186,647)	-
145	Assets held for sale	-	-	-	-	-	77,542	-	-	-	-	77,542
150	Total current assets	655,714	-	-	653,864	7,925	79,137	-	53,202	364,014	(186,647)	1,627,209
161	Land	823,786	-	-	-	-	-	-	19,664	-	-	843,450
162	Buildings	9,265,779	-	-	-	-	-	-	313,461	-	-	9,579,240
163	machinery-dwellings machinery-dwellings	40,752	-	-	-	-	-	-	14,520	-	-	55,272
164	Furniture, equipment and machinery - administration	269,429	-	-	44,604	-	-	-	1,144	8,796	-	323,973
165	Leasehold improvements	74,032	-	-	-	-	-	-	11,100	-	-	85,132
166	Accumulated depreciation	(5,334,939)	-	-	(22,012)	-	-	-	(117,565)	(3,366)	-	(5,477,882)
160	Total fixed assets, net of accumulated depreciation	5,138,839	-	-	22,592	-	-	-	242,324	5,430	-	5,409,185
171	Notes receivable - noncurrent	-	-	-	-	-	107,510	-	-	-	-	107,510
176	Investments in joint ventures	-	-	-	-	-	-	-	-	70,050	-	70,050
180	Total non-current assets	5,138,839	-	-	22,592	-	107,510	-	242,324	75,480	-	5,586,745
190	Total assets	5,794,553	-	-	676,456	7,925	186,647	-	295,526	439,494	(186,647)	7,213,954
312	Accounts payable <=90 days	64,546	-	-	48,729	7,925	-	-	399	100	-	121,699
325	Accrued interest payable	-	-	-	-	-	-	-	15	-	-	15
333	Accounts payable - other government	22,669	-	-	-	-	-	-	-	-	-	22,669
341	Tenant security deposits	39,800	-	-	-	-	-	-	2,437	-	-	42,237
342	Deferred revenues	6,343	-	-	-	-	-	-	894	-	-	7,237
343	Current portion of a long-term debt - capital projects/mortgage revenue bonds	-	-	-	-	-	-	-	2,630	-	-	2,630
345	Other current liabilities	29,550	-	-	47,576	-	-	-	-	-	-	77,126
347	Interprogram due to	-	-	-	-	-	186,647	-	-	-	-	186,647
310	Total current liabilities	162,908	-	-	96,305	7,925	186,647	-	6,375	100	(186,647)	273,613
351	Long-term debt, net of current - capital projects/mortgage revenue bonds	-	-	-	-	-	-	-	284,339	-	-	284,339
350	Total noncurrent liabilities	-	-	-	-	-	-	-	284,339	-	-	284,339
300	Total liabilities	162,908	-	-	96,305	7,925	186,647	-	290,714	100	(186,647)	557,952
508.1	Invested in capital assets, net of related debt	5,138,839	-	-	22,592	-	-	-	(44,645)	5,430	-	5,122,216
511.1	Restricted	-	-	-	250,164	-	-	-	-	-	-	250,164
512.1	Unrestricted net assets	492,806	-	-	307,395	-	-	-	49,457	433,964	-	1,283,622
513	Total equity/net assets	5,631,645	-	-	580,151	-	-	-	4,812	439,394	-	6,656,002
600	Total liabilities and equity/net assets	5,794,553	-	-	676,456	-	186,647	-	295,526	439,494	(186,647)	7,206,029
70300	Net tenant rental revenue	308,913	-	-	-	-	-	-	25,498	-	-	334,411
70400	Tenant revenue - other	6,579	-	-	-	-	-	-	811	-	-	7,390
70500	Total tenant revenue	315,492	-	-	-	-	-	-	26,309	-	-	341,801
70600	HUD PHA operating grants	317,823	107,876	-	3,807,999	134,243	-	11,000	-	-	-	4,378,941
70610	Capital grants	-	121,808	246,943	-	-	-	-	-	-	-	368,751
70800	Other government grants	-	-	-	-	-	-	-	20,297	-	-	20,297
71100	Investment income - unrestricted	5,598	-	-	4,972	-	580	-	48	3,614	-	14,812

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
FINANCIAL DATA SCHEDULE - CONTINUED
June 30, 2010

Line Item Number	Account Description	Low-Rent Public Housing 14.850	Public Housing Capital Fund Program 14.872	Formula Capital Fund Stimulus Grant 14.885	Section 8 Housing Choice Vouchers 14.871	Resident Opportunity & Supportive Services 14.870	Business Activities	HOME Investment Partnerships Program	Rural Rental Housing Loans 10.415	Component Unit	Elim- inations	Total
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	120,132	-	-	-	-	120,132
71310	Cost of sale of assets	-	-	-	-	-	(130,084)	-	-	-	-	(130,084)
71400	Fraud recovery	-	-	-	5,436	-	-	-	-	-	-	5,436
71500	Other revenue	4,057	-	-	9,741	-	-	-	5	22,150	-	35,953
71600	Gain or loss on sale of capital assets	953	-	-	233	-	-	-	-	-	-	1,186
72000	Investment income - restricted	-	-	-	688	-	-	-	81	-	-	769
70000	Total revenue	643,923	229,684	246,943	3,829,069	134,243	(9,372)	11,000	46,740	25,764	-	5,157,994
91100	Administrative salaries	224,012	-	-	472,303	-	-	-	1,008	-	-	697,323
91200	Auditing fees	2,975	-	-	2,975	-	-	-	-	-	-	5,950
91400	Advertising and marketing	7,224	-	-	177	-	-	-	102	-	-	7,503
91600	Office expenses	17,292	-	-	14,971	-	-	-	85	289	-	32,637
91700	Legal	736	-	-	490	-	-	-	-	-	-	1,226
91800	Travel	18,194	-	-	5,504	-	-	-	10	-	-	23,708
91900	Other	83,518	-	-	103,282	134,243	-	-	1,085	685	-	322,813
91000	Total operating - administration	353,951	-	-	599,702	134,243	-	-	2,290	974	-	1,091,160
92400	Tenant services - other	2,907	-	-	-	-	-	-	-	-	-	2,907
93100	Water	15,722	-	-	-	-	-	-	931	-	-	16,653
93200	Electricity	12,470	-	-	-	-	-	-	3,096	-	-	15,566
93300	Gas	31,606	-	-	-	-	-	-	-	-	-	31,606
93600	Sewer	22,423	-	-	-	-	-	-	1,770	-	-	24,193
93000	Total utilities	82,221	-	-	-	-	-	-	5,797	-	-	88,018
94100	Ordinary maintenance & operations - labor	238,399	-	-	-	-	-	-	-	-	-	238,399
94200	Ordinary maintenance & operations - materials and others	53,815	-	-	-	-	-	-	348	-	-	54,163
94300	Ordinary maintenance & operations - contract costs	56,962	-	-	144	-	-	-	7,096	-	-	64,202
94000	Total maintenance	349,176	-	-	144	-	-	-	7,444	-	-	356,764
96110	Property insurance	13,184	-	-	2,217	-	-	-	894	-	-	-
96120	Liability insurance	8,266	-	-	134	-	-	-	500	-	-	-
96140	All other insurance	5,436	-	-	280	-	-	-	-	-	-	-
96100	Total insurance premiums	26,886	-	-	2,631	-	-	-	1,394	-	-	30,911
96200	Other general expenses	-	-	-	2,712	-	-	-	-	-	-	2,712
96300	Payments in lieu of taxes	22,669	-	-	-	-	-	-	-	-	-	22,669
96400	Bad debt - tenant rents	20,545	-	-	-	-	-	-	-	-	-	20,545
96700	Interest expense	-	-	-	-	-	-	-	21,892	-	-	21,892
96900	Total operating expenses	858,355	-	-	605,189	134,243	-	-	38,817	974	-	1,637,578
97000	Excess operating revenue over operating expenses	(214,432)	229,684	246,943	3,223,880	-	(9,372)	11,000	7,923	24,790	-	3,520,416
97200	Casualty losses-non-capitalized	1,000	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	2,990,203	-	-	-	-	-	-	2,990,203
97350	HAP portability-in	-	-	-	916	-	-	-	-	-	-	-
97400	Depreciation expense	321,577	9,517	-	6,236	-	-	-	6,922	2,322	-	346,574
90000	Total expenses	1,180,932	9,517	-	3,602,544	134,243	-	-	45,739	3,296	-	4,976,271
10010	Operating transfers in	109,504	-	-	-	-	11,000	-	-	-	-	120,504
10020	Operating transfers out	-	(107,876)	-	-	-	(1,628)	(11,000)	-	-	-	(120,504)
10100	Total other financing sources (uses)	109,504	(107,876)	-	-	-	9,372	(11,000)	-	-	-	-
10000	Excess (deficiency) of operating revenue over (under) expenses	(427,505)	112,291	246,943	226,525	-	-	-	1,001	22,468	-	181,723
11030	Beginning equity	5,699,916	-	-	353,626	-	-	-	3,811	416,926	-	6,474,279
11040	Equity transfers	359,234	(112,291)	(246,943)	-	-	-	-	-	-	-	-
11190	Unit months available	1,968	-	-	10,596	-	-	-	120	-	-	12,684
11210	Number of unit months leased	1,941	-	-	10,181	-	-	-	120	-	-	12,242
11170	Administrative fee equity	-	-	-	329,987	-	-	-	-	-	-	329,987
11180	Housing assistance payments equity	-	-	-	250,164	-	-	-	-	-	-	250,164

OTHER REPORTS



609 S. 4th Street, Suite B
La Crosse, WI 54601
Phone: 608-784-8060
Fax: 608-784-8167

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

We have audited the financial statements of the Eastern Iowa Regional Housing Authority, Dubuque, Iowa as of and for the year ended June 30, 2010 and have issued our report thereon dated October 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

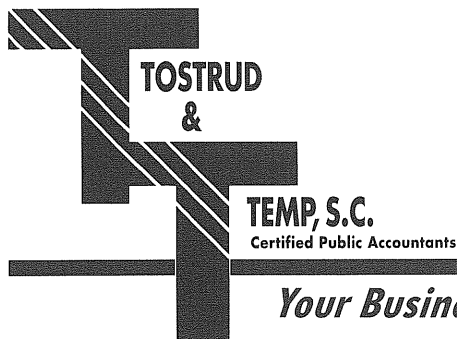
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Authority's management, and the board of commissioners and grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Testrud + Temp, S.C.

October 20, 2010



609 S. 4th Street, Suite B
La Crosse, WI 54601
Phone: 608-784-8060
Fax: 608-784-8167

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO MAJOR PROGRAMS AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Board of Directors
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

Compliance

We have audited the compliance of the Eastern Iowa Regional Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2010. The Authority's major federal program is identified in the Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the governing board, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Tostred + Temp, S.C.

October 20, 2010

Eastern Iowa Regional Housing Authority
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Significant deficiency(ies) identified?	___ yes	<u>X</u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	___ yes	<u>X</u> none reported

Noncompliance material to the financial statements? ___ yes X no

Federal Awards

Internal control over financial reporting:

Significant deficiency(ies) identified?	___ yes	<u>X</u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	___ yes	<u>X</u> none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section .510(1)? ___ yes X no

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Voucher Program

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as a low-risk auditee? X yes ___ no

Section II - Financial Statement Findings

NONE

Section III - Federal Findings and Questioned Costs

NONE

Status of Prior Audit Findings

There were no prior year audit findings.